

Instructions for Credit Union Merger

In order for two credit unions to merge, assuming the merger is voluntary in nature and involves at least one state-chartered institution, application for merger must be submitted to the **Commissioner of the Department of Financial Institutions** (DFI). The application package should include the following:

1. Letters from both credit unions requesting consideration of the merger proposal and outlining the reason for the merger. The letters should explain, as fully as possible, why the merger is being sought and what benefits will be received by the members of both institutions from the merger.
2. Copies of the Field of Membership from each credit union. Copies of the pertinent section from each institution's bylaws may be sent.
3. The total number of members of the merging credit union.
4. Financial statements from both credit unions as of the close of business on the latest available month-end date. These should include Balance Sheets, Income Statements and Reports of Delinquent and Classified Loans.
5. A Certificate of Merger signed by the president or chairman and by the secretary of the merging credit union. The certificate should include:
 - The time and place of the meeting of the board of directors at which the plan of merger was agreed upon;
 - The vote of the board in favor of the adoption of the merger plan;
 - A copy of the resolution, or other action by which the plan was agreed upon;
 - The time and place of the meeting of the members at which the plan agreed upon was approved; and,
 - The vote by which the plan was approved by the members.
6. A copy of the Notice of the Special Meeting of the membership of the merging credit union sent to each member of said credit union. This notice should outline the time and place the special meeting is to be held and the purpose for the meeting.
7. A copy of the Plan of Merger. The plan should outline as exactly as possible all changes in regard to both fields of membership that would be affected by the proposed merger. A copy of the Plan of Merger should be sent along with the Notice of Special Meeting in order to better educate the members of the merging credit union and thus aid them in their voting decision.
8. A Merger Agreement completed, signed and notarized by the chairman of the board and secretary/treasurer of each credit union.
9. A copy of the resolution or other action by which the plan agreed upon was approved by the Board of Directors of the continuing credit union.

10. A copy of consent to the merger from the organization insuring the accounts of the surviving (continuing) credit union. All the above documents also should be sent to the National Credit Union Administration (NCUA) for their approval. DFI will work closely with the merging credit unions and NCUA on this.

11. A check for \$8 made payable to the Kentucky State Treasurer.

12. Three originally signed copies of the Articles of Merger, drafted so as to agree with the legal requirements of the Kentucky Secretary of State.

NOTE: If the credit union is not currently in good-standing with the Secretary of State's office the corporate status must be reinstated before the merger can be completed. Details regarding how to determine the status and/or how to reinstate corporate status may be obtained from the Secretary of State's office.